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Message Text

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PAGE 01 VIENTI 02174 110325Z

11
ACTION EA-09

INFO OCT-01 ISO-00 EUR-12 AID-05 CIAE-00 COME-00 EB-07

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SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 AGR-05 AGRE-00

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R 110113Z SEP 76
FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC 6997
INFO AMEMBASSY BANGKOK
AMEMBASSY PARIS
AMCONSUL HONG KONG
CINCPAC

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CINCPAC FOR POLAD

E.O. 11652: N/A
TAGS: ECON, EGEN, LA
SUBJECT: VIENTIANE COST OF LIVING

REF VIENTIANE 1884

SUMMARY: LPDR BOASTS OF GREATER AVAILABILITY OF FOOD STUFFS IN THE CITY MARKET DURING THE PAST MONTH HAVE BEEN SUBSTANTIATED BY EMBASSY MARKET SURVEYS. BUT PRICES OF KEY FOOD ITEMS SUCH AS PORK, MEAT, SALT, EGGS, CHICKEN HAVE INCREASED SUBSTANTIALLY, IN SOME CASES MORE THAN DOUBLING. THE BLACK MARKET RATE IS BACK UP TO 1200 KIP PER DOLLAR AFTER DROPPING AS LOW AS 850. END SUMMARY.

1. DESPITE INCREASED AVAILABILITY OF FOOD STUFFS, PRICES HAVE SOARED SINCE REFTEL AUGUST 3. SALT CLIMBED FROM 50 KIP PER KILO TO 100 KIP SEPTEMBER 9. PORK ROSE FROM 600 KIP PER KILO TO
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PAGE 02 VIENTI 02174 110325Z

1000 KIP. BEEF, WHICH HAD BEEN UNAVAILABLE SINCE DECEMBER,

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REAPPEARED IN CITY MARKET AUGUST 10 AT 500 KIP PER KILO AND ROSE
TO 1500 KIP SEPTEMBER 9. BUFFALO MEAT, ALSO UNAVAILABLE SINCE
DECEMBER, REAPPEARED AUGUST 18 AT 900 KIP PER KILO AND BY
SEPTEMBER 9 WAS SELLING FOR 1200 KIP. THE PRICE OF INDIVIDUAL
CHICKENS ROSE DURING THE MONTH FROM 650 KIP TO 1200 KIP.
DUCKS WERE UNAVAILABLE AUGUST 3, ROSE TO 1200 KIP AUGUST 31,
AND DROPPED TO 1000 KIP SEPTEMBER 9. THE PRICE OF TEN EGGS
CLIMBED FROM 500 KIP AUGUST 3 TO 800 KIP WHERE IT REMAINED FOR
THREE WEEKS BEFORE FALLING TO 750 KIP SEPTEMBER 9.

2. LAO VEGETABLES CONTINUE TO BE ABUNDANT IN THE MARKET AT
FAIRLY STABLE PRICES, BUT VEGETABLES POPULAR WITH WESTERNERS
SUCH AS CARROTS AND POTATOES CONTINUE TO BE SCARCE AND
EXPENSIVE. CUCUMBERS INCREASED IN PRICE FROM 80 KIP PER KILO
AUGUST 3 TO 200 KIP SEPTEMBER 9 WHILE TOMATOES FELL FROM
1800 KIP PER KILO AUGUST 3 TO 900 KIP SEPTEMBER 9.

3. RICE CONTINUES TO BE AVAILABLE AT FAIRLY CONSTANT PRICES.
THE LOCAL EMPLOYEE CONDUCTING EMBASSY MARKET SURVEY SEPTEMBER 9
NOTED A RICE VENDOR SELLING AT 350 KIP PER KILO SUPERIOR QUALITY
WHITE RICE WHICH NORMALLY SELLS FOR ABOUT 180 KIP PER KILO.
THE EMPLOYEE BELIEVES THIS RICE WAS SMUGGLED INTO LAOS FROM THAILAND.

4. THE BLACK MARKET RATE DROPPED FROM 1,150 KIP PER DOLLAR
AUGUST 3 TO A LOW OF 850, BUT BY SEPTEMBER 9 HAD CLIMBED BACK
TO 1200 MATCHING PREVIOUS HIGH IN JULY.

5. INCREASED AVAILABILITY OF FOOD IN MARKET IS AT LEAST PARTLY
A RESULT OF HIGHER PRICES FARMERS ARE GETTING FOR THEIR PRODUCE.
MOREOVER, THE GOVERNMENT SEEMS TACITLY TO BE ALLOWING SALES
AT PRICES HIGHER THAN THOSE WHICH IT HAS SET OFFICIALLY.
NEVERTHELESS, THE VERNACULAR PRESS HAS RUN NUMEROUS
ARTICLES DURING THE PAST MONTH CRITICIZING MERCHANTS WHO CHEAT
THE PUBLIC BY CHARGING HIGH PRICES. LAO LOCAL EMPLOYEES ALSO
SAY THAT CRITICISM OF SELFISH MERCHANTS HAS BEEN A DOMINANT
THEME IN THE SEMINARS THAT THEY HAVE HAD TO ATTEND IN THE
PAST MONTH.
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